

MEMORANDUM TO: ITA Resource Coordinators

FROM: Alfredo Hurtado
Director of ITA Accounting

SUBJECT: Annual Undelivered Order and Accrual Verification

Department of Commerce accounting procedures require that accounting records and the funds status reports be verified on a periodic basis. This verification must take place at least annually, during which time, all obligations are validated and any required adjustments are made. This verification must be accomplished by consulting with the program officials, who are charged with the responsibility for administering the funds that have been allotted to their programs and are in a position to know the validity of each obligation. This memorandum explains the steps needed to accomplish this verification, which needs to be completed by Friday, August 2, 2002.

This fiscal year the verification process will require certification of both undelivered orders and accruals, both of which are classified as obligations requiring future payment. An undelivered order represents a reduction of funds available, for which the goods or services have not yet been received. An accrual represents a reduction of funds available, for which the goods or service have been received.

The verification of undelivered orders will be conducted using the ITA 143, Unliquidated Obligations by Organization Certification Report, as of June 30, 2002. The verification of the accruals will be conducted using the ITA 673, Accruals by Organization Certification Report, as of June 30, 2002. The reports are broken down to the individual cost center level and will be available on Document Direct July 1, 2002. If you need assistance with these reports, please call Roxanna Allen at ITA, Office of Financial Management on 202-482-8363.

In order to validate the items on the reports, we ask that you carefully review current documentation to ensure the items listed as valid will, in fact, require future payment (Sample forms are attached). In the "Valid/Not Valid Action" column of the ITA143 and ITA673 reports, please write on the report if the obligation or accrual is valid or invalid as follows:

- A. If the obligation/accrual is valid, then put write "Valid" in the column.
- B. If the obligation/accrual is invalid because it will not require future payment, then write "Invalid-de-obligate".
- C. If it is invalid because it is charged to the incorrect program, then write "Invalid-AOC" and attach a completed Advice of Correction (AOC) form.
- D. If an item is missing from the report, please attach a copy of the original obligating documentation.

A new column has been added to the June 30, 2002, ITA 143 report. Use the column "9/30 Accrual Amount" to estimate the amount of each "Valid, non-travel" obligation on the ITA143 report, that will be received by September 30, 2002. When checking each obligation for validity,

please review the terms of the contract to determine when the goods or services will be received. If the goods or service will be received by September 30, 2002 then record the entire obligation amount in the “9/30 Accrual Amount” column.

For example, a purchase order is obligated and on the ITA143 report as of June 30, 2002. The obligation is determined to be valid, and the entire order will be received by September 30, 2002. The total amount of the obligation should be recorded in the “9/30 Accrual Amount” column of the ITA143.

If only a portion of the obligation will be received by September 30, 2002, then estimate the dollar amount that will be used by September 30, 2002 and record that amount in the “9/30 Accrual Amount” column. If the goods or service will not be received by September 30, 2002, then enter \$0 in the “9/30 Accrual Amount” column.

A certification statement appears on the bottom page of the ITA143 and ITA673 for each organization. The program official responsible for administering the funds must sign this statement.

Overseas obligations that are recorded in ITA’s accounting system (FFS) as “MS” transactions must also be validated. Since these transactions are recorded only at a summary level in FFS, the FFS amounts must be compared to the records or reports received from the State Department (Voucher Auditors Detail Reports and RFC60 reports). Each overseas post needs to report any discrepancies to their State Department servicing accounting office, since adjustments/de-obligations MUST be processed through the State Department, which will be subsequently fed into FFS.

We ask that you forward your certified reports to Roxanna Allen, ITA-OFM Accounting, Room 4113, HCHB, no later than Friday August 2nd. This deadline is very important if we are to process all corrections and de-obligations in time for fiscal year-end closing processes. If you have any questions about the validation process, please contact Roxanna Allen at 202-482-8363 or Patti Thompson at 303-969-7780X2677

The certification process will be covered in the Year End Training sessions, which are being held July 16-18th in Washington D.C. Contact Roxanna Allen at 202-482-8363 to sign up for the date and time of your choice.

ORGANIZATION: 3300 DAS FOR MID EAST AND N AFRICA

TRANSACTION ID	LN#	VENDOR CODE	VENDOR NAME	BUDGT	FYS	FUND	PRGM	BOC	AMOUNT	VALID/NOT VALID ACTION	9/30 ACCRUAL AMOUNT
MO WK901920206	001	13010001	DEPARTMENT OF COMMERCE	2002		01MA	3200	2599	250.00	Valid	\$ 250 ⁰⁰
TRANSACTION TOTAL:									250.00		
MO 01PAY661	001	19000001	DEPARTMENT OF STATE	2001		01MA	3200	2595	79,463.00	Valid	\$ 45,000 ⁰⁰
TRANSACTION TOTAL:									79,463.00		
MO 0220089	001	04000001	GPO	2002		01MA	3200	2429	15.00	Invalid - AOC	\$
TRANSACTION TOTAL:									15.00		
TO 01580899	001	547687652	MOLLY K WILLIAMSON	2001		01MA	3200	2100	328.30	Invalid - Deobligate	\$
TRANSACTION TOTAL:									328.30		
ORGANIZATION TOTAL:									80,058.30		

IN ACCORDANCE WITH DEPARTMENT OF COMMERCE, ACCOUNTING PRINCIPLES AND STANDARDS HANDBOOK, CHAPTER 7, SECTION 9.03 "ACCOUNTING RECORDS AND FUND STATUS REPORTS," I HAVE REVIEWED THE OBLIGATIONS FOR VALIDITY. I HAVE INDICATED THE REQUIRED ACTION FOR INVALID OBLIGATIONS. I HEREBY CERTIFY THE OBLIGATIONS NOTED ABOVE AS "VALID" ARE INDEED VALID AND PROPERLY RECORDED.

PRINT NAME: JANE SMITH

SIGNATURE: Jane Smith

202-482-0000

TRANSACTION ID	LN#	VENDOR CODE	VENDOR NAME	BUDGT	FYS	FUND	PRGM	BOC	AMOUNT	VALID/NOT VALID-ACTION
RC 01PAY689	002	14080002	DEPARTMENT OF INTERIOR	2001		01MA	3200	2500	350,000.00	<u>Valid</u>
TRANSACTION TOTAL:									350,000.00	
RC 02PAY716	005	19000001	DEPARTMENT OF STATE	2002		01MA	3210	2500	168,460.00	<u>Valid</u>
TRANSACTION TOTAL:									168,460.00	
RC 40AA807508	001	CONVNON	CONVERTED DATA-NONGOVT	1998		01MA	3200	3100	11,604.00	<u>Invalid - Deobligate</u>
TRANSACTION TOTAL:									11,604.00	
RC 40AA902310	001	GRAPHMAT	GRAPHMATIC	1999		01MA	3200	1120	389.04	<u>Invalid - Deobligate</u>
TRANSACTION TOTAL:									389.04	
RC 43PAY471	002	14080002	DEPARTMENT OF INTERIOR	2000		01MA	3570	2500	1,876.32	<u>Valid</u>
TRANSACTION TOTAL:									1,876.32	
ORGANIZATION TOTAL:									532,329.36	

IN ACCORDANCE WITH DEPARTMENT OF COMMERCE, ACCOUNTING PRINCIPLES AND STANDARDS HANDBOOK, CHAPTER 7, SECTION 9.03 "ACCOUNTING RECORDS AND FUND STATUS REPORTS," I HAVE REVIEWED THE ACCRUALS FOR VALIDITY. I HAVE INDICATED THE REQUIRED ACTION FOR INVALID ACCRUALS. I HEREBY CERTIFY THE ACCRUALS NOTED ABOVE AS "VALID" ARE INDEED VALID AND PROPERLY RECORDED.

PRINT NAME: JANE SMITH SIGNATURE: Jane Smith
202-482-0000

ADVICE OF CORRECTION FORM

ITA Procedure for Advice of Corrections - Standard Vouchers (SV)

SV documents are prepared to move expended non-payroll transactions to the proper accounting strip as decided by ITA field offices. PR documents are used for payroll transactions. Expended transactions can be transferred from one cost code to another and/or from one budget object class (BOC) to another. ITA field office employees complete the information below and send the form to NBC-Denver for input into FFS. The report used to identify the transaction which is being changed must accompany this form.

Organization Number: 3300

Organization Name: Mid East & N. Africa

Requested by: Jane Smith

Telephone number: (202) 482-0000

E-mail address: Jane.Smith@mail.doc.gov

Report Referenced: ITA 143 (Must be attached.)

Date of Report: 6/30/2002

Document Number: MO 0220089

Vendor Name: GPO

Total Change Amount: \$15.00

Current Cost Code: 201 / 320006 / 3300

Approp (3 digits), Proj Code-Perf Meas (6 digits), Organization Code (4 digits)

New Cost Code: 201 / 320006 / 3310

Current BOC: 2429

New BOC: 2429

Reason: Wrong organization code

Signature of Requestor: Jane Smith

Date: 7/3/02